

Santa Fe

Through a public-private partnership, a rusting oil refinery is turning into a model industrial development.

Springs

**Livable
Places
Profile**

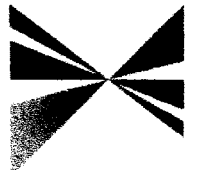
September 1999



Gateway Cities

Council of Governments
Southeast Los Angeles County

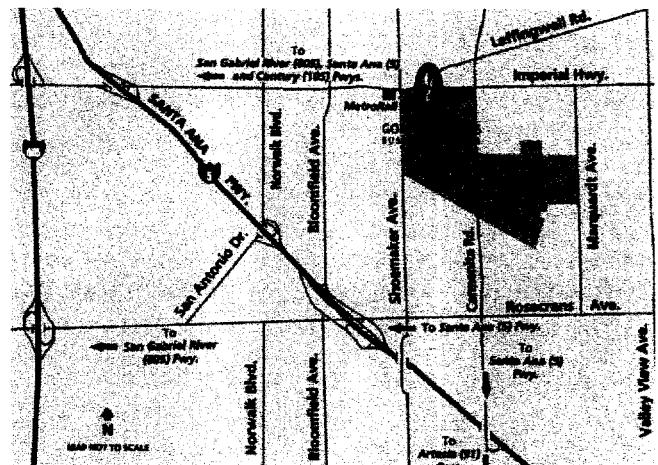
SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

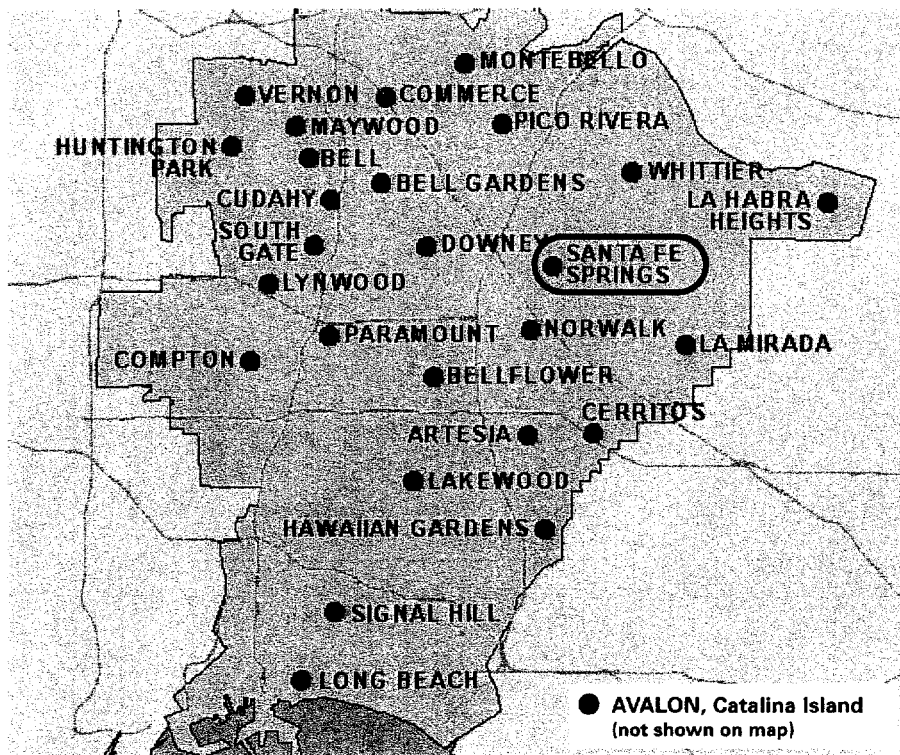
Livability Showcase

The Gateway Cities Council of Governments (COG), in partnership with the Southern California Association of Governments (SCAG), is sponsoring three livable community profiles. Each profile highlights how a member city's exemplary efforts at industrial, commercial, or residential development and redevelopment have paid-off to transform its assets into a more sustainable place. These profiles provide an opportunity for member cities to learn about and benefit from each other's hard earned successes in enhancing the economic vitality of their community while retaining their unique characteristics and improving the quality of life for their residents.



Location map of the 265 acre Golden Springs Business Center

*This profile focuses on the success of the **City of Santa Fe Springs** with an extraordinary industrial redevelopment project. By championing a public-private partnership, Santa Fe Springs is turning a defunct oil refinery and storage tank farm into a model industrial real estate development that **creates jobs, stimulates investment, and enhances the city's tax base.***



About the Gateway Cities Subregion

Twenty-seven cities and the unincorporated areas of Los Angeles County comprise the 220 square mile Gateway Cities subregion. The Gateway Cities is the traditional center of Southern California's industrial core, and one of the most densely populated areas of the region. By the year 2000, Gateway Cities will exceed two million residents and 750,000 jobs. With an excellent transportation infrastructure and the world's largest ports complex nearby, the Gateway Cities is at the hub of the largest and richest domestic market in North America.

Positioned midway between Los Angeles and Orange Counties, Santa Fe Springs is a prime spot for locating new businesses, facilitated by the existing railroads and freeway network.

Brief History: Santa Fe Springs was a quiet farming community through 1874, when Dr. H. E. Fulton formed the Fulton Sulfur Springs and Health Resort to develop this natural resource discovered on his property. In 1886, the Santa Fe Railroad purchased land from Dr. Fulton to develop the railroad from Los Angeles to San Diego. The Santa Fe laid out the first townsite and offered lots for sale. The start of rail service in 1888 initiated a new era, opening the transcontinental market for local farm products, and faster, safer travel.

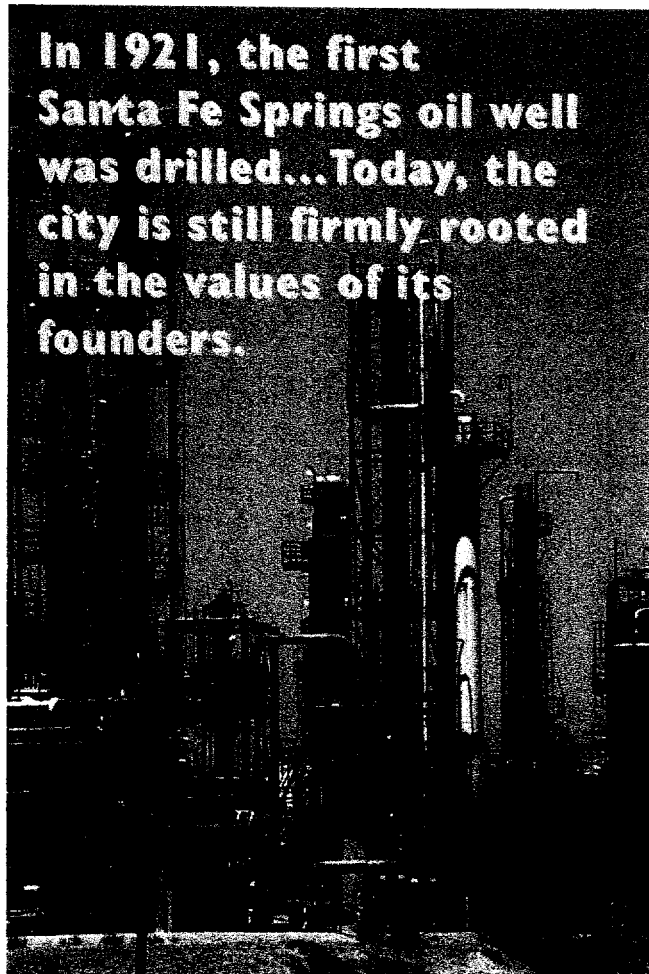
In 1921, the first Santa Fe Springs oil well was drilled, giving birth to the oil boom which followed, and by 1923 the Santa Fe Springs area was the state's largest oil producer. Oil discovery spawned many businesses over the years, kicking off the era of industrial development with such businesses as machinists, tool makers, and blacksmiths, among many others. Although the boom was largely over by the 1960's, its benefits continue to be long lasting.

Positioned midway between Los Angeles and Orange Counties, Santa Fe Springs was a prime spot for locating new businesses, facilitated by the existing railroads and emerging freeway network. Santa Fe Springs became a residential suburb with a thriving industrial center.

In 1957, Santa Fe Springs became a city. The Chamber of Commerce and Industrial League helped plan the new city's growth with an early commitment to creating a leading regional business center.

Today, as the City moves forward, it is still firmly rooted in the values that were the legacy of farsighted business people, industrialists, and public-spirited citizens who established Santa Fe Springs. These values include promoting civic participation, fostering a climate conducive to business, and amiably blending the residential population of approximately 15,500 people with an employment population six times larger--approximately 100,000 people.

In 1921, the first Santa Fe Springs oil well was drilled... Today, the city is still firmly rooted in the values of its founders.



CITY SNAPSHOT

- **1990 Population: 15,520**
- **African-American: 1%**
- **Asian: 4%**
- **Hispanic: 68%**
- **Other: 1%**
- **White/Anglo: 26%**
- **Employment: 100,000**
- **Median Household Income: \$33,313**
- **Year Incorporated: 1957**
- **Area: 9 square miles**

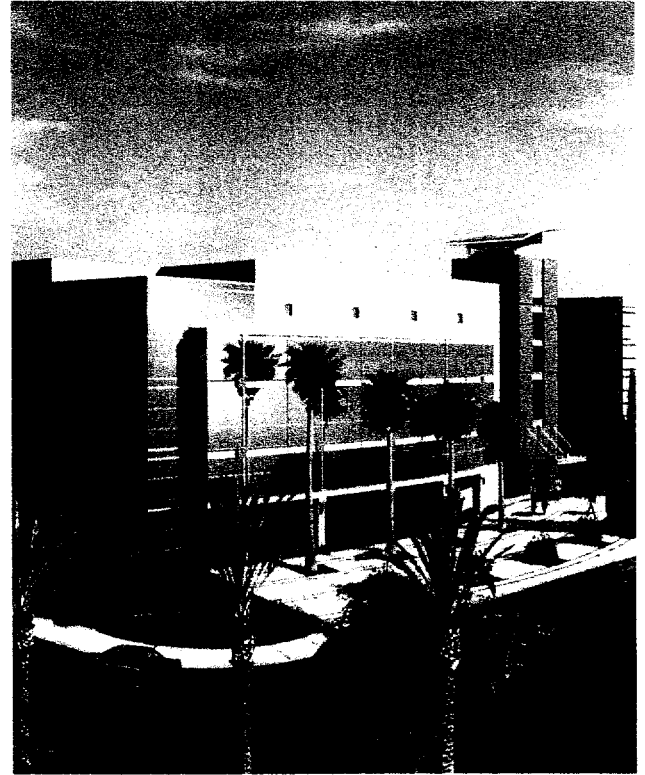
Model Economic Development: Golden Springs Business Center

The Golden Springs Business Center (GSBC) is an excellent example of how an outdated industrial use—an inoperable oil refinery and storage tank farm—is being reborn as a premiere mixed-use business park.

The GSBC is the single largest business park under development in the Gateway Cities. The GSBC is the result of a public-private partnership that will create 3,000 jobs and provide much needed modern industrial and commercial space, catalyzing the start-up and expansion of local businesses.

The GSBC is adjacent to the Norwalk/Santa Fe Springs Transportation Center, which provides Metrolink commuter rail service and local access to area businesses and neighborhoods through the MetroExpress Shuttle.

The 265 acre GSBC is planned for approximately five million square feet of Class A commercial and industrial space in 30 buildings to be developed in three phases. The GSBC will offer unparalleled amenities with public art features and extensive landscaped areas for passive recreation and visual enjoyment.



Architect's rendering of proposed development.





The existing refinery will be replaced with new development in Phase III.

Environmental Problems and

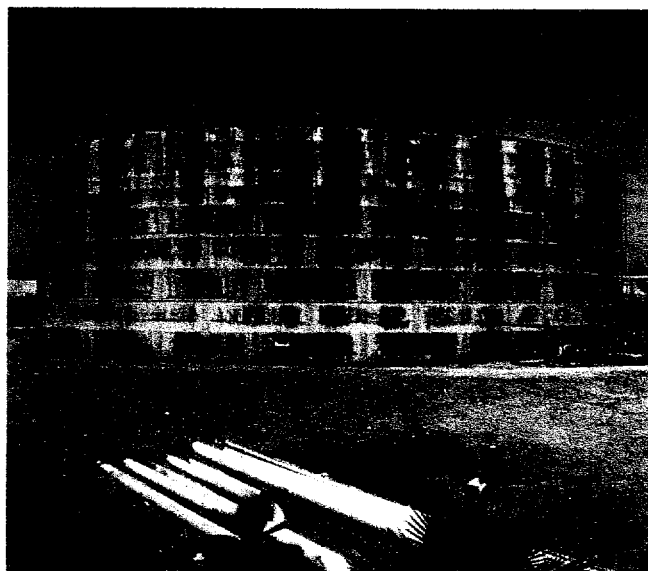
Physical Distress: The former refinery and oil tank farm overcame a typical problem of many Gateway Cities: an environmentally contaminated industrial site. To address this fundamental obstacle, the City of Santa Fe Springs partnered with a private developer to initiate the Golden Springs Economic Development Project, a redevelopment project area, by actively engaging the property owner and community to turn the site around. The City provided front-end remediation funds of \$6 million for Phase I, and \$2 million for Phase II. Remediation includes cleaning up over 85 acres, some of which was contaminated with biodegradable, petroleum hydrocarbon derivatives from materials stored in the tank farm. Golden Springs Development Company (GSDC) successfully cleared 40 large, above-ground storage tanks,

each with a capacity of five-and-a-half to seven million gallons of oil, plus numerous smaller tanks, underground pipelines, and related facilities.

Phase III is planned to redevelop the refinery's process unit, marketing area, and remaining tank farm. While higher levels of contamination are anticipated in Phase III, the lessons learned from Phases I and II will provide invaluable data and knowledge of likely geophysical obstacles. Currently, the Golden West Refining Company is conducting an environmental assessment that includes extensive review of the historic use of the property, oral interviews of personnel associated with the refinery, and preliminary sampling and testing of the soil and ground water. Based on the results, a Remedial Action Work Plan will be submitted to the Regional Water Quality Control Board (RWQCB) for review and approval.

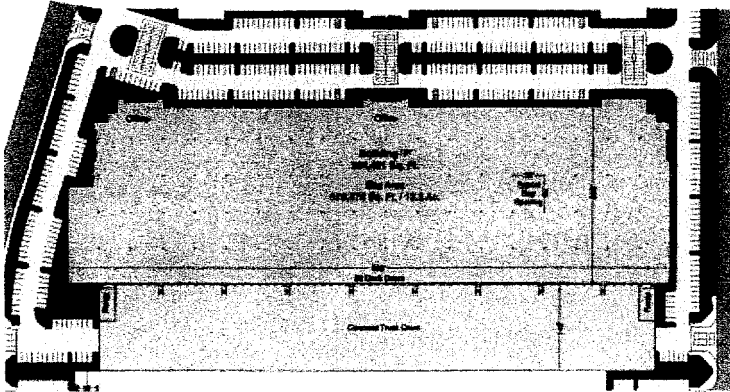
History of the Site

The site, located south of Imperial Highway off Carmenita Road, is located in a generally distressed area. The site was used for crude oil storage beginning in 1925. In 1942, as part of the war effort, the U.S. government bought part of the site for producing and storing aviation fuel. In 1983, the current owner's purchased the refinery from Gulf Oil Corporation. Crude oil distillation processes and tank farm operations were terminated in 1992 and 1997, respectively. Unfortunately, over 350 well-paying jobs, and a major revenue source for the community, were lost.



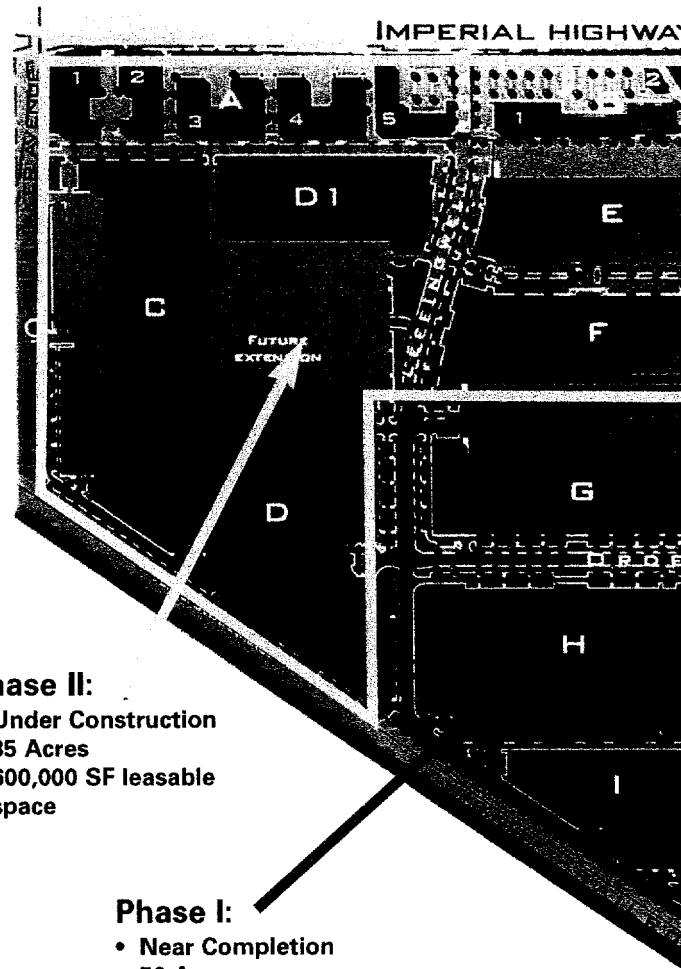
An existing tank farm will be replaced in Phase III.

Golden West Business Center Features



Building F, floor plan, under construction, will occupy over 280,000 square feet with 58 dock doors, and will sport a typical 52' x 60' column bay spacing.

- Excellent transportation access ideally suited to serve both Los Angeles and Orange Counties:
 - Immediate access to the Santa Ana Freeway (I-5)
 - Located near the Artesia (91), San Gabriel River (605), and Century (105) freeways
 - Immediately adjacent to a Metrolink commuter rail station with local transit connections
 - BNSF rail service

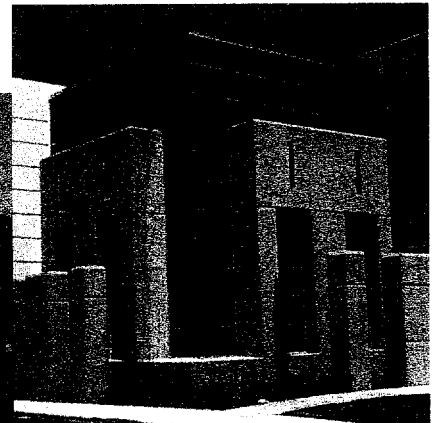
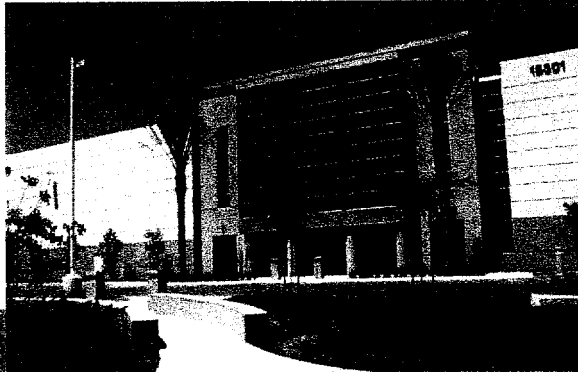


Phase II:

- Under Construction
- 35 Acres
- 600,000 SF leasable space

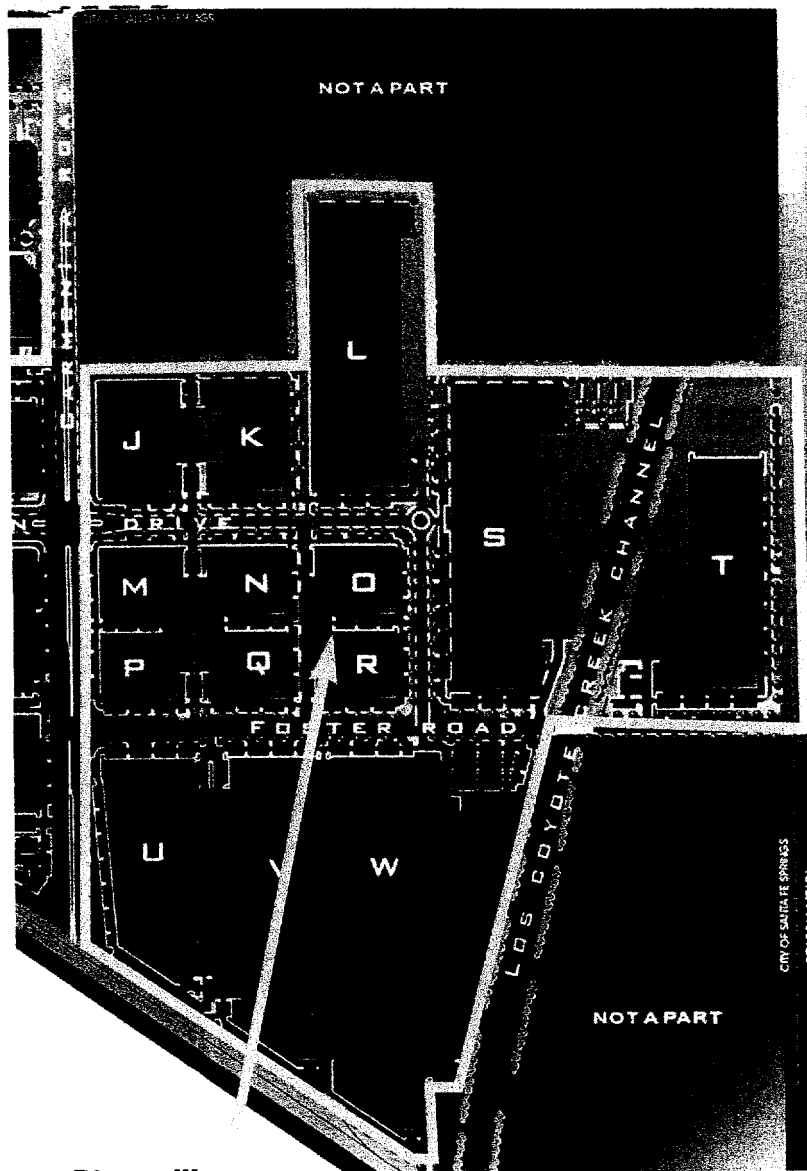
Phase I:

- Near Completion
- 50 Acres
- 1 Million SF leasable space



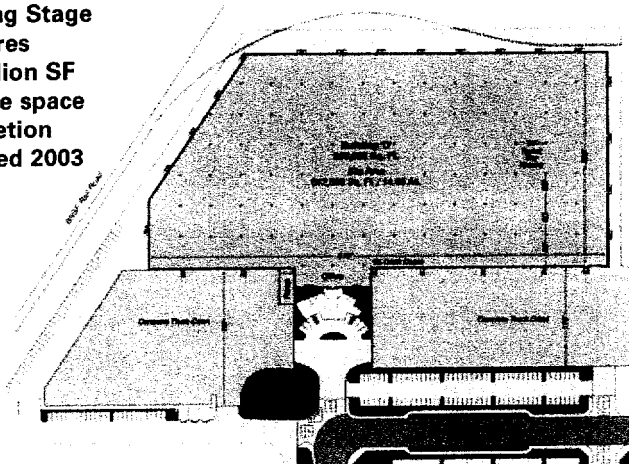
Views of Building G, along Orden Drive, completed.

and Benefits



Phase III:

- Planning Stage
- 180 Acres
- 3.5 Million SF leasable space
- Completion expected 2003



Views of Building G, along Orden Drive, completed.



- 265 master planned business park
- Distinctive architecture, including extensive use of high performance glass
- Park-like landscaping including extensive greenbelts, seating areas, and artwork
- Fiber-optic capability facilitating high-speed data transmission
- State of the art functional features including:
 - High interior ceiling clearances of 32' to 40'
 - Early suppression/fast response overhead sprinkler systems provide maximum fire protection
 - Large concrete truck courts
 - Retail support services on site

Building D, floor plan, under construction, occupies over 290,000 square feet with 36 dock doors and will sport a typical 50' x 54' column bay spacing.

Making It Happen

Financing and Funding: Phase III development is not economically viable without financial assistance to defray the cost of remediation.

To achieve this public benefit, the City, in partnership with Los Angeles County, the owner, the Southeast Area Social Services Funding Authority (SASSFA), and others, has been awarded two U.S. Department of Housing and Urban Development grants:

- \$2 million Economic Development Initiative (EDI)
- \$1.75 million Brownfields Economic Development Initiative (BEDI)

These funds will be used in combination with Section 108 Guaranteed Loan funds, at a 1:5 leverage ratio, to offset costs of environmental cleanup, remediation, soil preparation, and construction associated with the installation of public infrastructure improvements. Section 108 funds are required by HUD as a condition of the EDI and BEDI grant

Consensus Building: The Golden Springs Economic Development Project was developed and approved in consultation and with the concurrence of the owners, City Council, community residents, local Chamber of Commerce, Los Angeles County Board of Supervisors, and community-based organizations. The project enjoys strong support from key legislators including U.S. Senators Feinstein and Boxer, U.S. Congress Member Napolitano, State Senator Escutia, and Assembly Member Thomas Calderon.



7

A Brownfield site has been returned to productive use.

GSBC Public-Private Partnership

- City of Santa Fe Springs is the lead agency responsible for redevelopment, community and economic development, inter-governmental affairs, and planning.
- County of Los Angeles administers the community development block grant program and is co-sponsor for the HUD funding application.
- Gateway Cities Council of Governments coordinates regional policies and the sub-regional economic development agenda.
- Southeast Area Social Services Funding Authority provides employment training and job placement services.
- California Regional Water Quality Control Board coordinates land remediation with the U.S. EPA, State Department of Toxic Substances Control, and local fire department.
- Golden West Refining Company is a wholly owned subsidiary of Thrifty Oil Company which acquired the property in 1983.
- Golden Springs Development Company is the project developer and financial partner owned by the founders and owners of the Thrifty Oil Company.

When completed, the total development is projected to increase the assessed value of the land by \$241,000,000, and the potential tax increment to the city and the county by over \$2.47 million annually.

Economic Development and Job

Creation: In 1997, the Gateway Cities COG established the **Gateway Cities Partnership** to help define the sub-region's economic development agenda, support industrial growth, and facilitate public/private collaboration. The Partnership has identified specific strategies to overcome the biggest impediments to job growth, including:

- A shortage of industrial real estate. The Golden Springs Business Center returns to productive economic use a Brownfields site. It overcomes the environmental problems created by previous uses that discouraged developers from reusing the site for new industrial facilities.
- A high unemployment rate, low-skilled workforce, and welfare-to-work clients. During the seven year period from 1988 and 1995, Gateway Cities lost an estimated 50,000 high-skilled jobs during downsizing and shifts in aerospace and other high-end manufacturing indus-

tries. A comprehensive employment and training program is being administered by SASSFA to reduce unemployment and enhance the skill level of local residents. SASSFA operates the **Partners for Progress One-Stop Career Center** providing customized skill and vocational training and employment placement services. Partners for Progress serves approximately 15,000 clients annually, including low-income, educationally disadvantaged, older persons, and persons with disabilities.

- Employee support services. In an effort to remove employment barriers, SASSFA provides child care and transportation support services. To facilitate multi-agency coordination, SASSFA is home to over ten agencies providing employment and training services including the State EDD and Department of Rehabilitation, County Department of Community & Senior Services, Rio Hondo College, and Whittier Adult School. SASSFA also works closely with the County to place welfare-to-work clients.

Sources of Funding

Source of Funds	Phase I Amount	Phase II Amount	Phase III Proposed Amount	Total Funds
City Redevelopment	\$6,000,000	\$2,000,000		\$8,000,000
EDI & BEDI and Section 108			\$22,500,000	\$22,500,000
Subtotal Public Funds	\$6,000,000	\$2,000,000	\$22,500,000	\$30,500,000
Developer Funds	\$29,400,000	\$20,600,000	\$136,400,000	\$186,400,000
Total Funds	\$35,400,000	\$22,600,000	\$158,900,000	\$216,900,000

Getting to Work

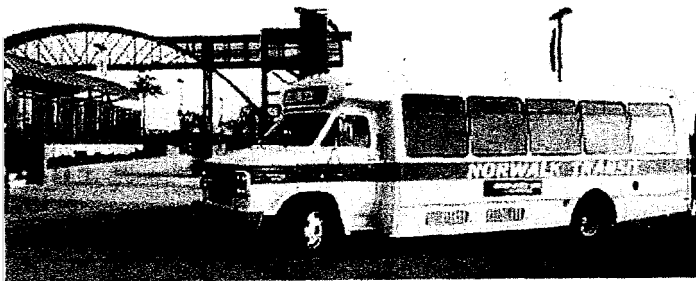
The Norwalk/Santa Fe Springs Transportation Center is a cooperative venture between the cities of Santa Fe Springs and Norwalk, with commuter train service provided by Metrolink. Commuters may catch Metrolink at the Transportation Center. Shuttles to and from work sites, a park-and-ride lot, a connection to the Green Line System, and MTA are services provided at the Transportation Center.

A free shuttle is provided for industrial residents. The MetroExpress arrives in the morning at the Transportation Center for pick-up and transports individuals to their place of business in Santa Fe Springs. In the afternoon, the MetroExpress will take individuals back to the Transportation Center. The MetroExpress is timed to meet trains running from as early as 6:00 a.m. to as late as 5:03 p.m. In the afternoon, the shuttle will pick up individuals upon request from their place of work about 30 minutes prior to their train departure time.

Metrolink passengers may transfer free of charge to the City of Norwalk's No. 4 bus line for travel to the Norwalk Green Line Station. Further travel on the Metro Green Line does not require additional pur-



Norwalk/Santa Fe Springs Transportation Center.



A variety of transit providers and vehicle-types serve client needs.



Transit Information

Norwalk/Santa Fe Springs Transportation Center
12700 Imperial Highway, Norwalk, California 90650
(562) 929.5735 TDD 929.5505

Metrolink and MetroExpress
808-LINK; TDD (800) 698-4TDD
MetroExpress (562) 868.0511
Monday-Friday: All lines;
Saturday: San Bernardino line
Except Holidays

The Tram
(562) 929.5550
Monday - Friday 7:00 a.m. - 7:00 p.m.
Stops once each hour at the locations throughout
residential areas and commercial districts.

Special Needs Service
Medical and nutrition transportation is provided for
senior citizens and the physically challenged. For
scheduling call City Hall between 10:00 a.m. and
Noon.

Lessons Learned

✓ **Coordination:** Coordinated and targeted public and private investments stimulate economic development, creating the conditions—jobs, incomes, and tax base—to make a community sustainable.

✓ **Partnerships:** It takes many agencies at all levels of government working closely with the private sector, each doing its unique part, to solve complex problems. Clear understanding of roles and responsibilities made this project a success.

✓ **Reasonable Risk Taking:** Public investment in private development—such as through redevelopment—reduces market risk. This is particularly important for uncertain, environmentally distressed sites. When the public and private sectors work together to address complex issues, all can benefit.

✓ **Targeted Seed Money:** If spent wisely, targeted public "seed money" can leverage significant private investments. The public seed money applied to Phases I and II demonstrated the City's willingness to share risks, and gave them the right to commensurately share resulting benefits, including job development and improved tax base.

✓ **Job Training:** Linking job training programs with private sector investment brings home the meaning of "economic development." This is especially critical to Gateway Cities which lost high-wage jobs in the early 1990's.

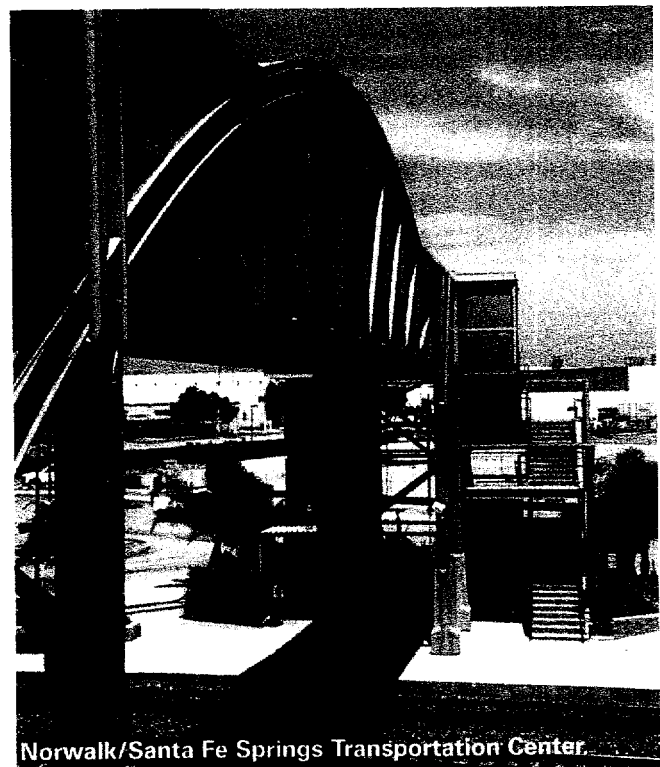
✓ **Initiative:** Taking the initiative to identify and discuss existing problems is the necessary first step to develop creative programs to solve them. In this project, community leaders, elected officials, and the private sector faced the difficult issues of redeveloping the site and then crafted a plan of action.

✓ **Creating Opportunity:** Shifting consumer and business markets which leave behind economically derelict land uses can be an opportunity for growth. Those involved with this project recognized that the site is ideally located for both industrial and commercial redevelopment and were not constrained in their thinking by the prior heavy industrial use of the site.

✓ **Creative Financing:** An awareness of financial tools and programs at all levels of government provides the potential to attract funds that benefit local constituents. The City Staff looked beyond traditional sources of financing to champion the project at each step along the way. The key is City Council's ongoing and unflagging support of the Staff's extraordinary efforts.

✓ **Political Commitment:** Political will and commitment on the part of both elected officials and City Staff is necessary to overcome complex problems. The commitment of the City and partners to the success of this project is, in the end, what makes the day-to-day progress possible, and is a fundamental condition for success.

✓ **Can Do Attitude:** An attitude that business is good for a city sends a clear and convincing message to the market that attracts private sector investment leading to economic development. The business community has led the way in partnership with the public sector to redevelop this derelict site. Along with private sector support and commitment, the "can do" attitude of City officials has been key to cooperation and progress.



Norwalk/Santa Fe Springs Transportation Center.

Credits

**County of Los Angeles
Board of Supervisors and
Community Development Commission**

Carlos Jackson, Executive Director

City of Santa Fe Springs

George Minnehan, Mayor
Betty Putnam, Mayor Pro Tem
Jim Burton, Councilmember
Louie Gonzalez, Councilmember
Ronald S. Kernes, Councilmember

Frederick W. Latham, City Manager
Robert G. Orpin, Director of Planning and
Development
Marina Sueiro, Director of Intergovernmental
Relations

Gateway Cities Council of Governments

Richard Powers, Executive Director

Southern California Assoc. of Governments

President: Supervisor Zev Yaroslavsky, Los Angeles
First Vice President: Council member Ron Bates,
City of Los Alamitos
Second Vice President: Supervisor Kathy Davis, San
Bernardino County
Immediate Past President: Mayor Bob Bartlett, City
of Monrovia

**Golden West Refining Company/
Golden Springs Development Company**

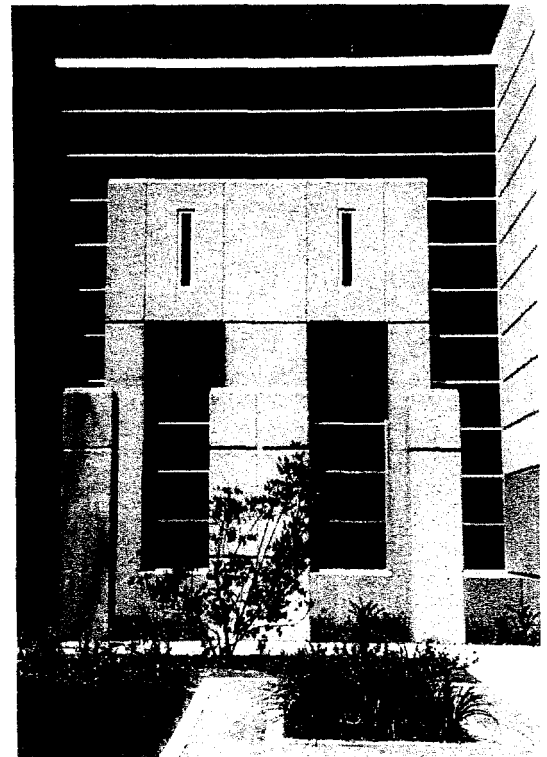
Moshe Sassover, Manager

Sarah J. Siwek & Associates

Sarah J. Siwek, Principal

Marc A. Futterman & Associates

Marc Futterman, Principal
Mayee Salgado, Principal



Bibliography

City of Santa Fe Springs

- General Plan, Land Use Element
- Newsletter, May/June 1999
- Santa Fe Springs web site

U.S. Dept. of Housing & Urban Dev't.

- Economic Development Initiative Grant
Application

Golden Springs Business Center

- Project Brochure

Who to Contact:

*Ms. Marina Sueiro
Director of
Intergovernmental Relations*

*City of Santa Fe Springs
11710 Telegraph Road
Santa Fe Springs, California
90670-3658*

*Tel: (562) 868-0511
Fax: (562) 868-7112
intergovt@santafesprings.org*